**Import of Liquified natural gas**

2889. SHRI V. NARAYANASWAMY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to refer to the answer to Unstarred Question 661 given in the Rajya Sabha on the 27th February, 1989 and state:

(a) whether the Planning Commission opposed the move for import of liquified natural gas to replace coal with natural gas as a source for generating power; and

(b) if so, what alternate steps Government are taking to substitute coal to get over energy crisis?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI BRAHM DUTT): (a) and (b) The import of LNG requires the setting up of facilities to handle the LNG. No proposal for the construction of such facilities has so far been received. The import of LNG will depend upon its techno-economic feasibility. This can be used in addition to indigenous gas in various sectors, including the power sector, in such a manner as to optimise the total use of gas.

**Permission to M/s Peerless Drive Limited Calcutta for off-shore drilling near Bombay High**

2890. SHRIMATI BIJOYA CHAKRAVARTY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that M|s Peerless Drive Limited, Calcutta has been permitted to take up a project in collaboration with Government of a foreign country relating to off-shore drilling near Bombay High; and

(b) if so, what are the details thereof and the circumstances in which permission has been accorded by Government to a company whose basic function is small scale financial investment?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI BRAHM DUTT): (a) and (b) A foreign collaboration has been approved between M|s Peerless Drive Private Ltd., Calcutta and M|s Rolv Berg Drive A|s, Norway for Off-shore and sub-sea Maintenance Work in the Petroleum Sector. M|s Rolv Berg Drive A|s, Norway have worked with ONGC under contract in this field. This collaboration has been approved after taking into consideration all the relevant factors.

**Declining cost of the imported crude oil**

2891. SHRI KRISHNA KUMAR BIRLA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) by what percentage the prices of crude oil in the world market came down during the last three years till date, year-wise;

(b) by what percentage the share of imported crude oil was reduced due to increased domestic production during 1986, 1987 and 1988 and by what percentage the oil import bill was reduced as a consequence thereof; and

(c) whether with the increasing domestic production of oil and with the declining cost of the imported crude oil, Government propose to reduce the prices of petrol, diesel and Kerosene oil, if not, what are the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI BRAHM DUTT): (a) The prices of crude oil in the international market were very volatile during the last three years. Moreover, there are various grades of crude having different prices. However, yearly average of spot prices of

some of the actively traded crude oils and percentage increase/decrease during the last three years is indicated below:

(Figures in $per bl.)

| | Dubai | % increase/ decrease | Oman | % increase/ decrease | Suez Blend | % increase/ decrease |
|---|---|---|---|---|---|---|
| 1986. . . . . | 12.97 | | 13.35 | | 12.73 | |
| 1987. . . . . | 16.92 | (+)30% | 17.25 | (+)29% | 16.79 | (+)32% |
| 1988. . . . . | 13.22 | (—)22% | 13.57 | (—)21% | 12.95 | (—)23% |

(b) The import of crude oil is made to meet the gap between indigenous production and demand. The domestic production of crude oil, the quantity imported and the value thereof during the last hree calendar years are given below:

Quantity: Million tonnes
Value : Rs./crores

| Year | Domestic Production of crude oil | Import of crude oil | |
|---|---|---|---|
| | | Quantity | Value |
| 1986. . . . . | 31.16 | 14.48 | 2070 |
| 1987. . . . . | 30.14 | 17.98 | 3105 |
| 1988 (Provisional) . . . . . | 31.58 | 17.71 | 2811 |

(c) The prices of petroleum products are not generally revised with changes in the prices of crude oil in the international market. The prices are developed with reference to a system of retention prices of the different refineries.

There is no proposal to reduce the prices of petrol, diesel and kerosene oil.

**Projected crude oil production target**

2892. SHRI KRISHNA KUMAR BIRLA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that over spending of the planned outlay by the petroleum sector during the Seventh Plan, the projected crude oil production target is not likely to be achieved and that huge quantities of natural gas would continue to be flared;

(b) if so, what is the percentage of over spending in the planned outlay for petroleum stctor during the Seventh Plan;

(c) what is the percentage by which the crude oil output is anticipated to fall short of the target stating the reasons therefor;

(d) what is the percentage of the natural gas being flared annually, and

(e) what action has been taken by Government to improve the performance of the petroleum sector in the country and also to overcome the